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Italy Implemented the IV AML Directive

By [Francesco Falco](#)

On May 24, 2017, the Italian Council of Ministers issued a press release concerning the approval of the Legislative Decree implementing the EU Directive 2015/849 (“IV AML Directive”) on the prevention of the use of the financial system for money laundering or terrorist financing into the Italian legal system.

The new provisions, in accordance with the IV AML Directive, contain important innovations, implementing the risk-based approach principle of the mentioned European Directive.

Most of the amendments to the already existing Italian AML legal framework are aimed to optimize the fight against money laundering and to provide new tools to help companies and financial institutions facing the illicit flow of money.

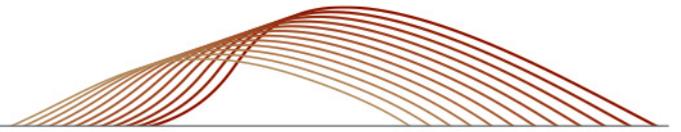
Companies and financial institutions operating in Italy have to review and amend their policies and procedures in order to be compliant with the new Italian provisions on AML.

What’s New in the Italian AML Legal Framework?

Most of the new provisions are aimed to strengthen the existing Italian AML legal framework, providing, at the same time, a simplification of formalities and technicalities.

According to the Italian Council of Ministers press release, the main innovations are the following:

1. the category of “*politically exposed persons*” has been extended: in addition to high offices of the State, Ministers and Parliamentarians, Judges, Regional Councilmen and Ministers, European Parliamentarians, and General Directors of hospitals and local health authorities (ASL), such category includes mayors of municipalities with a population not less than 15,000 people and the directors of the companies owned by such municipalities;
2. as provided for under the IV AML Directive, suspicious transactions cannot be executed until the relevant reporting obligations are fulfilled;
3. it is established the beneficial owner register, in order to provide a more transparent and efficient financial market; furthermore, a section of the already existing companies register will cover beneficial owners in connection with trusts;
4. professionals, such as lawyers, are not subject to reporting duties of suspicious transactions in connection with information received from a client or obtained while representing their clients.



The text of the Legislative Decree implementing the IV AML Directive will be issued in the next days. Once such text will be available, companies and financial institutions operating in Italy will have to review and implement their policies and procedures in order to align them with the new Italian legal framework.



If you have any questions concerning these developing issues, please do not hesitate to contact the following Paul Hastings Milan lawyer:

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